

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

# SENATE BILL 1094

AN ACT

AMENDING SECTIONS 15-445, 15-448, 15-459, 15-481, 15-491, 15-825.02 AND  
35-454, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT BOUNDARIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-445, Arizona Revised Statutes, is amended to  
3 read:

4 15-445. Residents of unorganized territory: school district  
5 elections: establishment of school district

6 A. The county school superintendent, on receiving notification from  
7 the state school superintendent pursuant to section 15-825.02, subsection B,  
8 shall do all of the following before calling an election:

9 1. Establish the boundaries of the proposed unified school district,  
10 taking into consideration communities of interest and excluding Indian  
11 reservations and other federal lands where reasonable to do so. DURING THE  
12 PERIOD THAT THE COUNTY SCHOOL SUPERINTENDENT IS CONSIDERING THE NEW SCHOOL  
13 DISTRICT BOUNDARIES, THE COUNTY SCHOOL SUPERINTENDENT SHALL CONDUCT AT LEAST  
14 TWO PUBLIC MEETINGS AT WHICH PUBLIC TESTIMONY IS HEARD AND QUESTIONS ARE  
15 ANSWERED.

16 2. Identify adjacent school districts that accept at least twenty-five  
17 per cent of their open enrollment or certificate of educational convenience  
18 students from the unorganized territory and that are willing to accept the  
19 unorganized territory into the existing school district.

20 3. Prepare a PAMPHLET AND A ballot question that includes the proposed  
21 boundaries and identifies existing adjacent school districts that are willing  
22 to accept the unorganized territory into the existing school district. THE  
23 PAMPHLET SHALL BE MAILED TO EACH HOUSEHOLD WITH ONE OR MORE QUALIFIED  
24 ELECTORS. The PAMPHLET AND ballot shall ~~list the financial impact for a~~  
25 ~~homeowner based on the property taxes on a one hundred thousand dollar home~~  
26 ~~on each of the following options and shall~~ require the voters within the  
27 boundaries proposed by the county school superintendent to select ~~one of the~~  
28 ~~following options:~~ EITHER

29 ~~(a) The establishment of~~ ESTABLISHING a new unified school district  
30 within the boundaries proposed. ~~OR~~

31 ~~(b) joining an existing adjacent school district.~~ THE PAMPHLET AND  
32 BALLOT SHALL INCLUDE THE FULL CASH VALUE, THE ASSESSED VALUATION AND THE  
33 ESTIMATED AMOUNT OF THE PRIMARY PROPERTY TAXES AND THE ESTIMATED AMOUNT OF  
34 THE SECONDARY PROPERTY TAXES UNDER EACH OF THE BALLOT OPTIONS FOR EACH OF THE  
35 FOLLOWING:

36 (a) AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS THE  
37 AVERAGE ASSESSED VALUATION OF PROPERTY CLASSIFIED AS CLASS THREE, AS  
38 PRESCRIBED BY SECTION 42-12003 FOR THE CURRENT YEAR IN THE SCHOOL DISTRICT.

39 (b) AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS ONE-HALF  
40 OF THE ASSESSED VALUATION OF THE RESIDENCE IN SUBDIVISION (a).

41 (c) AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS TWICE THE  
42 ASSESSED VALUATION OF THE RESIDENCE IN SUBDIVISION (a).

43 (d) A BUSINESS WHOSE ASSESSED VALUATION IS THE AVERAGE OF THE ASSESSED  
44 VALUATION OF PROPERTY CLASSIFIED AS CLASS ONE, AS PRESCRIBED BY SECTION  
45 42-12001, PARAGRAPHS 12 AND 13 FOR THE CURRENT YEAR IN THE SCHOOL DISTRICT.

1 B. The county school superintendent shall schedule the election on the  
2 next available general election date allowed by law.

3 C. After a canvass of the vote and a determination by the county  
4 school superintendent that a majority of the voters approves the  
5 establishment of a new unified school district, the county school  
6 superintendent shall notify the state board of education that the school  
7 district is established and that the new unified school district will become  
8 operational at the beginning of the next school year. The county school  
9 superintendent shall appoint the initial governing board of the new unified  
10 school district.

11 D. If the newly established unified school district is not able to  
12 provide a complete academic program to the students within the school  
13 district, the newly established unified school district may transport the  
14 students to an adjacent school district pursuant to section 15-824.

15 E. On a canvass of the vote and a determination by the county school  
16 superintendent that a majority of the voters approves joining an existing  
17 adjacent school district, the county school superintendent shall notify the  
18 existing school district of the following:

19 1. That the boundaries of the school district shall be revised to  
20 include the property identified in the boundaries established by the county  
21 school superintendent.

22 2. That the school district shall provide the same educational  
23 services that are currently provided to students who reside in current  
24 boundaries of the school district to all students within the revised  
25 boundaries at the beginning of the next school year.

26 F. A school district that is formed pursuant to this section is not  
27 eligible for the small school adjustment prescribed in section 15-949, the  
28 small school district weight prescribed in section 15-943 or the small  
29 isolated school district weight prescribed in section 15-943.

30 Sec. 2. Section 15-448, Arizona Revised Statutes, is amended to read:

31 15-448. Formation of unified school district; board membership;  
32 budget

33 A. One or more common school districts and a high school district with  
34 coterminous or overlapping boundaries may establish a unified school district  
35 pursuant to this section. Unification of a common school district and a high  
36 school district is not authorized by this section if any of the high school  
37 facilities owned by the new unified school district would not be located  
38 within its boundaries.

39 B. Formation of a unified school district shall be by resolutions  
40 approved by the governing boards of the unifying school districts and  
41 certification of approval by such governing boards to the county school  
42 superintendent of the county or counties in which such individual school  
43 districts are located. A common school district and high school district  
44 that unify pursuant to this section shall not exclude from the same  
45 unification a common school district that has overlapping boundaries with the

1 high school district and that wishes to unify. The formation of a unified  
2 school district shall become effective on July 1 of the next fiscal year  
3 following the certification of the county school superintendent. An election  
4 shall not be required to form a unified school district pursuant to this  
5 section. AT LEAST NINETY DAYS BEFORE THE GOVERNING BOARDS VOTE ON THE  
6 RESOLUTIONS PRESCRIBED IN THIS SUBSECTION, THE GOVERNING BOARDS SHALL MAIL A  
7 PAMPHLET TO EACH HOUSEHOLD WITH ONE OR MORE QUALIFIED ELECTORS THAT SHALL  
8 LIST THE FULL CASH VALUE, THE ASSESSED VALUATION AND THE ESTIMATED AMOUNT OF  
9 THE PRIMARY PROPERTY TAXES AND THE ESTIMATED AMOUNT OF THE SECONDARY PROPERTY  
10 TAXES UNDER THE PROPOSED UNIFICATION FOR EACH OF THE FOLLOWING:

11 1. AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS THE AVERAGE  
12 ASSESSED VALUATION OF PROPERTY CLASSIFIED AS CLASS THREE, AS PRESCRIBED BY  
13 SECTION 42-12003 FOR THE CURRENT YEAR IN THE SCHOOL DISTRICT.

14 2. AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS ONE-HALF OF  
15 THE ASSESSED VALUATION OF THE RESIDENCE IN PARAGRAPH 1 OF THIS SUBSECTION.

16 3. AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS TWICE THE  
17 ASSESSED VALUATION OF THE RESIDENCE IN PARAGRAPH 1 OF THIS SUBSECTION.

18 4. A BUSINESS WHOSE ASSESSED VALUATION IS THE AVERAGE OF THE ASSESSED  
19 VALUATION OF PROPERTY CLASSIFIED AS CLASS ONE, AS PRESCRIBED BY SECTION  
20 42-12001, PARAGRAPHS 12 AND 13 FOR THE CURRENT YEAR IN THE SCHOOL DISTRICT.

21 C. The boundaries of the unified school district shall be the  
22 boundaries of the former common school district or districts that unify. The  
23 boundaries of the common school district or districts that are not unifying  
24 remain unchanged. The county school superintendent, immediately upon receipt  
25 of the approved resolutions prescribed by subsection B of this section, shall  
26 file with the board of supervisors, the county assessor and the  
27 superintendent of public instruction a transcript of the boundaries of the  
28 unified school district. The boundaries shown in the transcript shall become  
29 the legal boundaries of the school districts on July 1 of the next fiscal  
30 year.

31 D. On formation of the unified school district, the governing board  
32 consists of the members of the former school district governing boards and  
33 the members shall hold office until January 1 following the first general  
34 election after formation of the district.

35 E. Beginning on January 1 following the first general election after  
36 formation of the unified school district, the governing board shall have five  
37 members. At the first general election after the formation of the district,  
38 members shall be elected in the following manner:

39 1. The three candidates receiving the highest, the second highest and  
40 the third highest number of votes shall be elected to four year terms.

41 2. The two candidates receiving the fourth and fifth highest number of  
42 votes shall be elected to two year terms. Thereafter all offices shall have  
43 four year terms.

44 F. The new unified school district may appoint a resident of the  
45 remaining common school district to serve as a nonvoting member of the

1 governing board to represent the interests of the high school pupils who  
2 reside in the remaining common school district and who attend school in the  
3 unified school district.

4 G. For the first year of operation, the unified school district  
5 governing board shall prepare a consolidated budget based on the student  
6 counts from the school districts comprising the unified school district,  
7 except that for purposes of determining budget amounts and equalization  
8 assistance, the student count for the former high school district shall not  
9 include the prior year average daily membership attributable to high school  
10 pupils from a common school district that was part of the former high school  
11 district but is not part of the unified school district. The unified school  
12 district shall charge the remaining common school district tuition for these  
13 pupils as provided in subsection J of this section and shall not include such  
14 pupils for the purpose of making any adjustment for rapid decline in student  
15 count pursuant to section 15-942. The unified school district may budget for  
16 unification assistance pursuant to section 15-912.01.

17 H. The governing board of the unified school district shall prepare  
18 policies, curricula and budgets for the district. These policies shall  
19 require that:

20 1. The base compensation of each certificated teacher for the first  
21 year of operation of the new unified school district shall not be lower than  
22 the certificated teacher's base compensation for the prior year in the  
23 previously existing school districts.

24 2. The certificated teacher's years of employment in the previously  
25 existing school districts shall be included in determining the teacher's  
26 certificated years of employment in the new unified school district.

27 I. Upon formation of a unified school district any existing override  
28 authorization of the former high school district and the former common school  
29 district or districts shall continue until expiration based on the revenue  
30 control limit of the school district or districts that had override  
31 authorization prior to unification. The unified school district may request  
32 new override authorization for the budget year as provided in section 15-481  
33 based on the combined revenue control limit of the new district after  
34 unification. If the unified school district's request for override  
35 authorization is approved, it will replace any existing override for the  
36 budget year.

37 J. The unified school district shall admit high school pupils who  
38 reside in a common school district that was located within the boundaries of  
39 the former high school district. Tuition shall be paid to the unified school  
40 district by the common school district in which such pupils reside. Such  
41 tuition amount shall be calculated in accordance with section 15-824, subject  
42 to the following modifications:

43 1. If the former high school district had outstanding bonded  
44 indebtedness at the time of unification, the combined tuition for the group  
45 of high school pupils who reside in each common school district shall include

1 a debt service amount for the former high school district's outstanding  
2 bonded indebtedness that is determined as follows:

3 (a) Divide the total secondary assessed valuation of the common school  
4 district in which the group of pupils reside by the total secondary assessed  
5 valuation of the former high school district. For the purposes of this  
6 subdivision, "secondary assessed valuation" means secondary assessed  
7 valuation for the tax year prior to the year when the unification occurs and  
8 includes the values used to determine voluntary contributions collected  
9 pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

10 (b) Multiply the quotient obtained in subdivision (a) ~~of this paragraph~~  
11 by the unified school district's annual debt service expenditure.

12 2. The debt service portion of such tuition payments calculated  
13 pursuant to paragraph 1 of this subsection shall be used exclusively for debt  
14 service of the outstanding bonded indebtedness of the former high school  
15 district. When such indebtedness is fully extinguished, the debt service  
16 portion of a pupil's tuition shall be determined in accordance with paragraph  
17 3 of this subsection.

18 3. If the former high school district had no outstanding bonded  
19 indebtedness at the time of unification, the tuition calculation shall  
20 include the actual school district expenditures for the portion of any debt  
21 service of the unified school district that pertains to any construction or  
22 renovation of high school facilities divided by the school district's student  
23 count for the high school portion of the school district.

24 4. The unified school district shall not include in the tuition  
25 calculation any debt service that pertains to any construction or renovation  
26 of school facilities for preschool through grade eight.

27 5. Notwithstanding section 15-951, subsection H, the revenue control  
28 limit of the common school district shall include the full amount of the debt  
29 service portion of the tuition calculated pursuant to this subsection.

30 K. All assets and liabilities of the unifying school districts shall  
31 be transferred and assumed by the new unified school district. Any existing  
32 bonded indebtedness of a common school district or a high school district  
33 unifying pursuant to this section shall be assumed by the new unified school  
34 district and shall be regarded as an indebtedness of the new unified school  
35 district for the purpose of determining the debt incurring authority of the  
36 district. Taxes for the payment of such bonded indebtedness shall be levied  
37 on all taxable property in the new unified school district, but nothing in  
38 this subsection shall be construed to relieve from liability to taxation for  
39 the payment of all taxable property of the former high school district if  
40 necessary to prevent a default in the payment of any bonded indebtedness of  
41 the former high school district. The residents of a common school district  
42 that does not unify shall not vote in bond or override elections of the  
43 unified school district and shall not be assessed taxes as a result of a bond  
44 or override election of the unified school district.

1 L. If the remaining common school district had authorization for an  
2 override as provided in section 15-481 or 15-482, the override authorization  
3 continues for the remaining common school district or districts in the same  
4 manner as before the formation of the unified school district.

5 M. The bonding authorization and bonding limitations continue for the  
6 remaining common school district or districts in the same manner as before  
7 the formation of the unified school district.

8 N. Nothing in this section shall be construed to relieve a school  
9 district formed pursuant to section 15-457 or 15-458 of its liability for any  
10 outstanding bonded indebtedness.

11 O. For school districts that become unified after July 1, 2004 and  
12 where all of the common schools were eligible for the small school district  
13 weight pursuant to section 15-943, paragraph 1, subdivision (a) when  
14 computing their base support level and base revenue control limit before  
15 unification, the unified school district may continue to use the small school  
16 district weight as follows:

17 1. Annually determine the common school student count and the weighted  
18 student count pursuant to section 15-943, paragraph 1, subdivision (a) for  
19 each common school district before unification.

20 2. Calculate the sum of the common school districts' student counts  
21 and weighted student counts determined in paragraph 1 of this subsection.

22 3. Divide the sum of the weighted student counts by the sum of the  
23 student counts determined in paragraph 2 of this subsection.

24 4. The amount determined in paragraph 3 of this subsection shall be  
25 the weight for the common schools in the unified school district.

26 P. A unified school district may calculate its revenue control limit  
27 and district support level by using ~~the provisions of~~ subsection O of this  
28 section as follows:

29 1. Determine the number of individual school districts that existed  
30 before unification into a single school district.

31 2. Multiply the amount determined in paragraph 1 of this subsection by  
32 six hundred.

33 3. Multiply the amount determined in paragraph 2 of this subsection by  
34 0.80.

35 4. If the amount determined in paragraph 3 of this subsection exceeds  
36 the student count of the unified school district, the unified school district  
37 is eligible to use ~~the provisions of~~ subsection O of this section.

38 Q. ~~The provisions of~~ Subsections O and P of this section shall remain  
39 in effect until the aggregate student count of the common school districts  
40 before unification exceeds the aggregate number of students of the common  
41 school districts before unification authorized to utilize ~~the provisions of~~  
42 section 15-943, paragraph 1, subdivision (a).

1           Sec. 3. Section 15-459, Arizona Revised Statutes, is amended to read:

2           15-459. Consolidation of districts; petition; election; notice;  
3           report; ballots; canvass of votes; governing board

4           A. On the request of the governing boards of two or more school  
5 districts in the same county or in adjacent counties or on receipt of  
6 petitions bearing the signatures of ten per cent or more of the number of  
7 qualified electors who voted in whichever of the last two general elections  
8 resulted in the higher number of ballots cast and who reside in each of two  
9 or more school districts in the same county or in adjacent counties to  
10 consolidate the school districts or parts of the districts, the county school  
11 superintendent of each of the counties affected, ~~shall~~ within ten days, **SHALL**  
12 call an election to determine the question on consolidation.

13          B. Consolidations allowed pursuant to subsection A of this section  
14 include:

15           1. To change the boundaries of a school district to include any part  
16 of an adjacent school district.

17           2. If all the common school districts within the boundaries of an  
18 existing union high school district desire to consolidate into one common  
19 school district.

20           3. If two or more adjacent school districts of like character, either  
21 common, high or unified school districts, desire to consolidate into one  
22 common, high or unified school district.

23           4. If a common school district that is not a part of a union high  
24 school district desires to consolidate with an adjacent unified school  
25 district.

26           5. If two or more common school districts desire to consolidate into  
27 one school district and unify the consolidated district with a union high  
28 school district to form one unified school district.

29          C. Notice of the election to determine consolidation of school  
30 districts shall be posted in not less than three public places in each of the  
31 school districts proposed to be consolidated at least twenty-five days before  
32 the election.

33          D. The county school superintendent shall prepare and the governing  
34 board shall distribute a report on the proposed boundary changes in a manner  
35 similar to that prescribed in section 15-481, subsection B. The report shall  
36 contain the following information:

37           1. The date of the election.

38           2. The polling places and times they are open.

39           3. **THE FULL CASH VALUE, THE ASSESSED VALUATION AND THE ESTIMATED**  
40 **AMOUNT OF THE PRIMARY PROPERTY TAXES AND THE ESTIMATED AMOUNT OF THE**  
41 **SECONDARY PROPERTY TAXES UNDER THE PROPOSED BOUNDARY CHANGES FOR EACH OF THE**  
42 **FOLLOWING:**

43           (a) **AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS THE**  
44 **AVERAGE ASSESSED VALUATION OF PROPERTY CLASSIFIED AS CLASS THREE, AS**  
45 **PRESCRIBED BY SECTION 42-12003 FOR THE CURRENT YEAR IN THE SCHOOL DISTRICT.**



1 (b) AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS ONE-HALF  
2 OF THE ASSESSED VALUATION OF THE RESIDENCE IN SUBDIVISION (a) OF THIS  
3 PARAGRAPH.

4 (c) AN OWNER OCCUPIED RESIDENCE WHOSE ASSESSED VALUATION IS TWICE THE  
5 ASSESSED VALUATION OF THE RESIDENCE IN SUBDIVISION (a) OF THIS PARAGRAPH.

6 (d) A BUSINESS WHOSE ASSESSED VALUATION IS THE AVERAGE OF THE ASSESSED  
7 VALUATION OF PROPERTY CLASSIFIED AS CLASS ONE, AS PRESCRIBED BY SECTION  
8 42-12001, PARAGRAPHS 12 AND 13 FOR THE CURRENT YEAR IN THE SCHOOL DISTRICT.

9 ~~3-~~ 4. A consolidation plan to include:

10 (a) The proposed boundary changes.

11 (b) The impact of the proposed boundary changes, including where  
12 pupils will attend school, changes in pupil transportation services, changes  
13 in availability of special education services, changes in pupil-teacher ratio  
14 and operational costs.

15 (c) If ~~the provisions of~~ subsection P of this section ~~apply~~ APPLIES to  
16 one or more of the existing school districts, a detailed description of  
17 desegregation funding and expenses for the resulting school district as set  
18 forth in subsection P of this section.

19 (d) Any other information the county school superintendent deems  
20 appropriate to include.

21 E. Ballots shall be prepared by the county school superintendent,  
22 shall be delivered to the inspector at least forty-eight hours before the  
23 opening of the polls as prescribed in section 16-509 and shall contain THE  
24 INFORMATION PRESCRIBED IN SUBSECTION D, PARAGRAPH 3 OF THIS SECTION AND THE  
25 FOLLOWING STATEMENT: "Consolidation includes the assumption of liability by  
26 the resulting school district for all indebtedness of existing school  
27 districts or those parts of school districts proposed for consolidation. Do  
28 you support consolidation under the specified provisions of the consolidation  
29 plan? Yes ( ) No ( )." If the election is to simultaneously consolidate  
30 and unify two or more common school districts, the ballot shall contain: "Do  
31 you support the consolidation of the (insert names of common school  
32 districts) and the subsequent unification of the consolidated districts with  
33 the (insert name of union high school district) to form one unified school  
34 district under the consolidation and unification plan? Yes ( ) No ( )."

35 F. The county school superintendent shall hold the election during the  
36 fiscal year preceding the fiscal year consolidation is proposed to be  
37 effective on a date prescribed by section 16-204. The election shall be held  
38 in the manner and electors shall possess qualifications as prescribed for the  
39 election of governing board members. The results of the election shall be  
40 reported to the county school superintendent.

41 G. The county school superintendent and the chairman of the board of  
42 supervisors ~~shall~~, on the seventh day after the election, SHALL canvass the  
43 vote. If a majority of the votes cast in each district favors consolidation,  
44 the districts are consolidated and become one district from and after June 30  
45 next following the election. If parts of two or more school districts are

1 proposed to be consolidated, a majority of the voters in the part of a school  
2 district or districts not affected by the proposed consolidation and a  
3 majority of the voters in the part of the school district or districts  
4 proposed for consolidation must approve the consolidation.

5 H. If a school district provides only financing for pupils who are  
6 instructed by another school district in the same county or in an adjacent  
7 county, the school district or any part of the school district may be  
8 consolidated with the school district providing the instructional program as  
9 follows:

10 1. The governing board of the financing school district approves the  
11 consolidation or ten per cent of the qualified electors residing in the  
12 school district, or that part of the school district proposed for  
13 consolidation, petitions the county school superintendent to call an election  
14 to approve the proposed consolidation.

15 2. The governing board of the school district providing instruction  
16 approves the consolidation.

17 3. At an election called by the county school superintendent of each  
18 of the counties affected, a majority of the persons voting in the school  
19 district, or that part of the school district providing financing, approves  
20 the proposed consolidation and a majority of the persons voting in the  
21 district providing instruction approves the proposed consolidation.

22 I. Elections held as provided in subsection H of this section shall be  
23 conducted in the same manner as elections prescribed in subsections C through  
24 G of this section and shall be held concurrently as prescribed in section  
25 15-458.

26 J. If the consolidated district includes territory located in two or  
27 more counties, the county of jurisdiction is the county in which the largest  
28 number of qualified electors of the consolidated school district resides,  
29 except that if all of the existing school buildings are in one county, that  
30 county is the county of jurisdiction. The county school superintendent of  
31 the jurisdictional county shall perform all duties for and with respect to  
32 the consolidated school district as required to be performed by county school  
33 superintendents. The board of supervisors of the jurisdictional county shall  
34 perform all duties for and with respect to the consolidated school district  
35 as required to be performed by boards of supervisors, except that school  
36 district taxes to be levied on property in the portion of the consolidated  
37 school district lying in another county shall be levied by the board of  
38 supervisors of the other county or counties and on receipt shall be  
39 transferred to the county of jurisdiction. All school buildings located  
40 within the consolidated school district, together with all equipment and  
41 furnishings, become the property of the consolidated school district. Any  
42 assumed indebtedness is an indebtedness of the consolidated school district  
43 for the purpose of determining the debt incurring authority of the  
44 consolidated school district.

1 K. Sections 15-457, 15-975 and 15-997 apply to school districts which  
2 are consolidated as provided in subsection H of this section.

3 L. Consolidation pursuant to this section is not allowed if the  
4 resulting school district would have a student count for the current year of  
5 more than ten per cent of the total student count of all school districts in  
6 this state.

7 M. The governing board shall prepare policies, curricula and budgets  
8 for the new school district. These policies shall require that:

9 1. The base salary and benefits of each employee for the first year of  
10 operation of the new school district shall not be lower than the employee's  
11 base salary and benefits for the prior year in the previously existing school  
12 district.

13 2. The employee's years of employment in the previously existing  
14 school district shall be included in determining the employee's years of  
15 employment in the new school district. An employee who was entitled to  
16 continuing employment contract status in the previously existing school  
17 district is entitled to continuing employment contract status in the new  
18 school district.

19 3. Notwithstanding paragraphs 1 and 2 of this subsection and pursuant  
20 to section 15-544, nothing in this section shall be construed to restrict the  
21 ability of the governing board to implement a reduction in force or to scale  
22 back salaries of certified teachers, administrators or noncertificated  
23 employees for reasons of economy or to improve the efficient conduct of  
24 schools within the district following a school district consolidation.

25 N. If all of the districts to be consolidated have authorization for  
26 an override as provided in section 15-481 that would have continued after the  
27 consolidation, the override authorization continues for the new district and  
28 expires at the time that the earliest override would have expired.

29 O. If one or more, but not all, of the districts to be consolidated  
30 have authorization for an override as provided in section 15-481 that would  
31 have continued after the consolidation, the override authorization shall only  
32 apply to the schools included under the terms of the prior override  
33 authorization. Consolidation of school districts does not consolidate or  
34 pool the liability to be taxed for the override, and only property that was  
35 located within the boundaries of the district that approved the override  
36 prior to consolidation ~~are~~ IS to pay taxes to support the override. This  
37 subsection also applies if all of the districts to be consolidated have  
38 authorization for overrides, but the authorizations are pursuant to different  
39 subsections of section 15-481 or the override amounts are not the same  
40 percentage of the revenue control limit.

41 P. Notwithstanding section 15-457, consolidation of school districts  
42 does not consolidate or pool the liability of the former school districts  
43 into the resulting school district. Outstanding indebtedness incurred by a  
44 school district before consolidation shall be repaid without interruption  
45 according to existing debt schedules as determined by the county board of

1 supervisors. If a school district consolidates after July 1, 2004, the new  
2 school district may pay tuition to the district of attendance when a pupil is  
3 precluded by distance or lack of transportation from attending school in the  
4 district of a pupil's residence.

5 Q. If one or more of the previously existing school districts was  
6 authorized to budget for expenses of complying with or continuing to  
7 implement activities that were required or permitted by court order of  
8 desegregation or administrative agreement with the United States department  
9 of education office for civil rights directed toward remediating alleged or  
10 proven racial discrimination pursuant to section 15-910, this authorization  
11 does not expire on the effective date of consolidation but only applies to  
12 schools included in the court order or administrative agreement.

13 R. If one or more of the previously existing school districts was  
14 participating in a career ladder program pursuant to chapter 9, article 1.1  
15 of this title before consolidation, notwithstanding any other law the state  
16 board shall expedite the processing of and may approve an updated application  
17 for program reapproval that incorporates the geographic boundaries of the  
18 resulting school district and the inclusion of the additional staff in the  
19 career ladder program.

20 S. If the formation of a new consolidated and unified school district  
21 is authorized, the terms of the governing board members of the common and  
22 union high school districts do not expire on the effective date of the  
23 unification. The governing board members of the previously existing school  
24 districts shall serve as provided in section 15-430, except that the power of  
25 the governing board members of the previously existing school districts  
26 acting as the governing board of the unified school district is limited to  
27 the maintenance and operation of the previously existing school districts and  
28 compliance with the consolidation and unification plan.

29 Sec. 4. Section 15-481, Arizona Revised Statutes, is amended to read:

30 15-481. Override election; budget increases; notice; ballot;  
31 effect

32 A. If the proposed budget of a school district exceeds the aggregate  
33 budget limit for the budget year, the governing board shall order an override  
34 election to be held not less than ninety days from the date of the order for  
35 the purpose of presenting the proposed budget to the qualified electors of  
36 the school district who shall by a majority of those voting either affirm or  
37 reject the budget. In addition, the governing board shall prepare an  
38 alternate budget which does not include an increase in the budget of more  
39 than the amount permitted as provided in section 15-905. If the qualified  
40 electors approve the proposed budget, the governing board of the school  
41 district shall follow the procedures prescribed in section 15-905 for  
42 adopting a budget that includes the authorized increase. If the qualified  
43 electors disapprove the proposed budget, the governing board shall follow the  
44 procedures prescribed in section 15-905 for adopting a budget that does not  
45 include the proposed increase or the portion of the proposed increase that

1 exceeds the amount authorized by a previously approved budget increase as  
2 prescribed in subsection P of this section.

3 B. The county school superintendent shall prepare an informational  
4 report on the proposed increase in the budget and a sample ballot and, at  
5 least thirty-five days prior to the election, shall transmit the report and  
6 the ballot to the governing board of the school district. ~~For a school~~  
7 ~~district located in a county with a population of two hundred thousand~~  
8 ~~persons or more,~~ The governing board, upon receipt of the report and the  
9 ballot, shall mail or distribute the report and the ballot to the households,  
10 in which qualified electors reside, within the school district at least  
11 thirty days prior to the election. ~~For a school district located in a county~~  
12 ~~with a population of less than two hundred thousand persons, the governing~~  
13 ~~board, upon receipt of the report and the ballot, shall mail or distribute~~  
14 ~~the report and the ballot to the households within the school district at~~  
15 ~~least thirty days prior to the election.~~ Any distribution of material  
16 concerning the proposed increase in the budget shall not be conducted by  
17 children enrolled in the school district. The report shall contain the  
18 following information:

- 19 1. The date of the election.
- 20 2. The polling places and times they are open.
- 21 3. The proposed total increase in the budget which exceeds the amount  
22 permitted pursuant to section 15-905.
- 23 4. The total amount of the current year's budget, the total amount of  
24 the proposed budget and the total amount of the alternate budget.
- 25 5. If the override is for a period of more than one year, a statement  
26 indicating the number of years the proposed increase in the budget would be  
27 in effect and the percentage of the school district's revenue control limit  
28 that the district is requesting for the future years.
- 29 6. The proposed total amount of revenues which will fund the increase  
30 in the budget and the amount which will be obtained from a levy of taxes upon  
31 the taxable property within the school district for the first year for which  
32 the budget increase was adopted.
- 33 7. The proposed amount of revenues which will fund the increase in the  
34 budget and which will be obtained from other than a levy of taxes upon the  
35 taxable property within the school district for the first year for which the  
36 budget increase was adopted.
- 37 8. The dollar amount and the purpose for which the proposed increase  
38 in the budget is to be expended for the first year for which the budget  
39 increase was adopted.
- 40 9. At least two arguments, if submitted, but no more than ten  
41 arguments for and two arguments, if submitted, but no more than ten arguments  
42 against the proposed increase in the budget. The arguments shall be in a  
43 form prescribed by the county school superintendent and each argument shall  
44 not exceed two hundred words. Arguments for the proposed increase in the  
45 budget shall be provided in writing and signed by the governing board. If

1 submitted, additional arguments in favor of the proposed increase in the  
2 budget shall be provided in writing and signed by those in favor. Arguments  
3 against the proposed increase in the budget shall be provided in writing and  
4 signed by those in opposition. The names of those persons other than the  
5 governing board or superintendent submitting written arguments shall not be  
6 included in the report without their specific permission, but shall be made  
7 available only upon request to the county school superintendent. The county  
8 school superintendent shall review all factual statements contained in the  
9 written arguments and correct any inaccurate statements of fact. The  
10 superintendent shall not review and correct any portion of the written  
11 arguments which are identified as statements of the author's opinion. The  
12 county school superintendent shall make the written arguments available to  
13 the public as provided in title 39, chapter 1, article 2. A deadline for  
14 submitting arguments to be included in the informational report shall be set  
15 by the county school superintendent.

16 10. A statement that the alternate budget shall be adopted by the  
17 governing board if the proposed budget is not adopted by the qualified  
18 electors of the school district.

19 11. The full cash value, the assessed valuation and the estimated  
20 amount of the secondary ~~tax-bill~~ PROPERTY TAXES if the proposed budget is  
21 adopted for each of the following:

22 (a) An owner-occupied residence whose assessed valuation is the  
23 average assessed valuation of property classified as class three, as  
24 prescribed by section 42-12003 for the current year in the school district.

25 (b) An owner-occupied residence whose assessed valuation is one-half  
26 of the assessed valuation of the residence in subdivision (a) of this  
27 paragraph.

28 (c) An owner-occupied residence whose assessed valuation is twice the  
29 assessed valuation of the residence in subdivision (a) of this paragraph.

30 (d) A business whose assessed valuation is the average of the assessed  
31 valuation of property classified as class one, as prescribed by section  
32 42-12001, paragraphs 12 and 13 for the current year in the school district.

33 12. If the election is conducted pursuant to subsection L or M of this  
34 section, the following information:

35 (a) An executive summary of the school district's most recent capital  
36 improvement plan submitted to the school facilities board.

37 (b) A complete list of each proposed capital improvement that will be  
38 funded with the budget increase and a description of the proposed cost of  
39 each improvement, including a separate aggregation of capital improvements  
40 for administrative purposes as defined by the school facilities board.

41 (c) The tax rate associated with each of the proposed capital  
42 improvements and the estimated cost of each capital improvement for the owner  
43 of a single family home that is valued at eighty thousand dollars.

44 C. For the purpose of this section, the school district may use its  
45 staff, equipment, materials, buildings or other resources only to distribute

1 the informational report at the school district office or at public hearings  
2 and to produce such information as required in subsection B of this section,  
3 provided that nothing in this subsection shall preclude school districts from  
4 holding or participating in any public hearings at which testimony is given  
5 by at least one person for the proposed increase and one person against the  
6 proposed increase.

7 D. The elections prescribed in subsection A of this section shall be  
8 held on a date prescribed by section 16-204 and shall be conducted as nearly  
9 as practicable in the manner prescribed in article 1 of this chapter,  
10 sections 15-422 through 15-424 and section 15-426, relating to special  
11 elections, except that:

12 1. The notices required pursuant to section 15-403 shall be posted not  
13 less than twenty-five days before the election.

14 2. Ballots shall be counted pursuant to title 16, chapter 4,  
15 article 10.

16 E. If the election is to exceed the revenue control limit and if the  
17 proposed increase will be fully funded by a levy of taxes upon the taxable  
18 property within the school district, the ballot shall contain the words  
19 "budget increase, yes" and "budget increase, no", and the voter shall signify  
20 his desired choice. The ballot shall also contain the amount of the proposed  
21 increase of the proposed budget over the alternate budget, a statement that  
22 the amount of the proposed increase will be based on a percentage of the  
23 school district's revenue control limit in future years, if applicable, as  
24 provided in subsection P of this section and the following statement:

25 Any budget increase authorized by this election shall be  
26 entirely funded by a levy of taxes upon the taxable property  
27 within this school district for the year for which adopted and  
28 for \_\_\_\_ subsequent years, shall not be realized from monies  
29 furnished by the state and shall not be subject to the  
30 limitation on taxes specified in article IX, section 18,  
31 Constitution of Arizona. Based on an estimate of assessed  
32 valuation used for secondary property tax purposes, the proposed  
33 increase in the school district's budget over that allowed by  
34 law would result in an estimated increase in the school  
35 district's tax rate of \_\_\_\_\_ dollar per one hundred  
36 dollars of assessed valuation used for secondary property tax  
37 purposes and is in addition to the school district's tax rate  
38 which will be levied to fund the school district's revenue  
39 control limit allowed by law.

40 F. If the election is to exceed the revenue control limit and if the  
41 proposed increase will be fully funded by revenues from other than a levy of  
42 taxes upon the taxable property within the school district, the ballot shall  
43 contain the words "budget increase, yes" and "budget increase, no", and the  
44 voter shall signify the voter's desired choice. The ballot shall also  
45 contain:

1           1. The amount of the proposed increase of the proposed budget over the  
2 alternate budget.

3           2. A statement that the amount of the proposed increase will be based  
4 on a percentage of the school district's revenue control limit in future  
5 years, if applicable, as provided in subsection P of this section.

6           3. The following statement:

7                 Any budget increase authorized by this election shall be  
8 entirely funded by this school district with revenues from other  
9 than a levy of taxes on the taxable property within the school  
10 district for the year for which adopted and for \_\_\_\_\_  
11 subsequent years and shall not be realized from monies furnished  
12 by the state.

13          G. Except as provided in subsection H of this section, the maximum  
14 budget increase which may be requested and authorized as provided in  
15 subsection E or F of this section or the combination of subsections E and F  
16 of this section is ten per cent of the revenue control limit as provided in  
17 section 15-947, subsection A for the budget year.

18          H. Special budget override provisions for school districts with a  
19 student count of less than one hundred fifty-four in kindergarten programs  
20 and grades one through eight or with a student count of less than one hundred  
21 seventy-six in grades nine through twelve are as follows:

22           1. The maximum budget increase that may be requested and authorized as  
23 provided in subsections E and F of this section is the greater of the amount  
24 prescribed in subsection G of this section or a limit computed as follows:

25                 (a) For common or unified districts with a student count of less than  
26 one hundred fifty-four in kindergarten programs and grades one through eight,  
27 the limit computed as prescribed in item (i) or (ii) of this subdivision,  
28 whichever is appropriate:

29                 (i)

30		Small School	Support Level Weight		Phase Down
31	Student	Student	for Small Isolated		Reduction
32	<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
33	_____	- <u>125</u>	x 1.358 + (0.0005 x	x \$ _____	= \$ _____
34			(500 - Student Count))		
35				Small Isolated	
36		Phase Down	Phase Down	School District	
37		<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
38		\$150,000	- \$ _____	= \$ _____	

39                 (ii)

40		Small School	Support Level Weight		Phase Down
41	Student	Student	for Small		Reduction
42	<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
43	_____	- <u>125</u>	x 1.278 + (0.0003 x	x \$ _____	= \$ _____
44			(500 - Student Count))		



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	Phase Down	Phase Down	Small
	<u>Base</u>	<u>Reduction Factor</u>	School District
			<u>Elementary Limit</u>
	\$150,000 -	\$	= \$

(b) For unified or union high school districts with a student count of less than one hundred seventy-six in grades nine through twelve, the limit computed as prescribed in item (i) or (ii) of this subdivision, whichever is appropriate:

(i)

Student	Small School	Support Level Weight	Phase Down
<u>Count</u>	<u>Count Limit</u>	for Small Isolated	Reduction
		<u>School Districts</u>	<u>Base Level</u>
	- 100 x	1.468 + (0.0005 x	x \$ = \$
		(500 - Student Count))	

(ii)

	Phase Down	Phase Down	Small Isolated
	<u>Base</u>	<u>Reduction Factor</u>	District
			<u>Secondary Limit</u>
	\$350,000 -	\$	= \$

Student	Small School	Support Level Weight	Phase Down
<u>Count</u>	<u>Count Limit</u>	for Small	Reduction
		<u>School Districts</u>	<u>Base Level</u>
	- 100 x	1.398 + (0.0004 x	x \$ = \$
		(500 - Student Count))	

	Phase Down	Phase Down	Small
	<u>Base</u>	<u>Reduction Factor</u>	School District
			<u>Secondary Limit</u>
	\$350,000 -	\$	= \$

(c) If both subdivisions (a) and (b) of this paragraph apply to a unified school district, its limit for the purposes of this paragraph is the combination of its elementary limit and its secondary limit.

(d) If only subdivision (a) or (b) of this paragraph applies to a unified school district, the district's limit for the purposes of this paragraph is the sum of the limit computed as provided in subdivision (a) or (b) of this paragraph plus ten per cent of the revenue control limit attributable to those grade levels that do not meet the eligibility requirements of this subsection. If a school district budgets monies outside the revenue control limit pursuant to section 15-949, subsection E, the district's limit for the purposes of this paragraph is only the ten per cent of the revenue control limit attributable to those grade levels that are not included under section 15-949, subsection E. For the purposes of this subdivision, the revenue control limit is separated into elementary and secondary components based on the weighted student count as provided in section 15-971, subsection B, paragraph 2, subdivision (a).

1           2. If a school district utilizes the provisions of this subsection to  
2 request an override of more than one year, the ballot shall include an  
3 estimate of the amount of the proposed increase in the future years in place  
4 of the statement that the amount of the proposed increase will be based on a  
5 percentage of the school district's revenue control limit in future years, as  
6 prescribed in subsections E and F of this section.

7           3. Notwithstanding subsection P of this section, the maximum period of  
8 an override authorized pursuant to this subsection is five years.

9           4. Subsection P, paragraphs 1 and 2 of this section do not apply to  
10 overrides authorized pursuant to this subsection.

11          I. If the election is to exceed the revenue control limit as provided  
12 in section 15-482 and if the proposed increase will be fully funded by a levy  
13 of taxes on the taxable property within the school district, the ballot shall  
14 contain the words "budget increase, yes" and "budget increase, no", and the  
15 voter shall signify the voter's desired choice. The ballot shall also  
16 contain the amount of the proposed increase of the budget over the alternate  
17 budget, a statement that the amount of the proposed increase will be based on  
18 a percentage of the school district's revenue control limit in future years,  
19 if applicable, as provided in subsection Q of this section, and the following  
20 statement:

21           Any budget increase authorized by this election shall be  
22 entirely funded by a levy of taxes on the taxable property  
23 within this school district for the year for which adopted and  
24 for \_\_\_\_\_ subsequent years, shall not be realized from monies  
25 furnished by the state and shall not be subject to the  
26 limitation on taxes specified in article IX, section 18,  
27 Constitution of Arizona. Based on an estimate of assessed  
28 valuation used for secondary property tax purposes, the portion  
29 of the proposed increase in the school district's budget over  
30 that allowed by law which will be funded by a levy of taxes upon  
31 the taxable property within this school district would result in  
32 an estimated increase in the school district's tax rate of  
33 \_\_\_\_\_ dollar per one hundred dollars of assessed valuation  
34 used for secondary property tax purposes and is in addition to  
35 the school district's tax rate that will be levied to fund the  
36 school district's revenue control limit allowed by law.

37          J. If the election is to exceed the revenue control limit as provided  
38 in section 15-482 and if the proposed increase will be fully funded by  
39 revenues other than a levy of taxes on the taxable property within the school  
40 district, the ballot shall contain the words "budget increase, yes" and  
41 "budget increase, no", and the voter shall signify the voter's desired  
42 choice. The ballot shall also contain the amount of the proposed increase of  
43 the proposed budget over the alternate budget, a statement that the amount of  
44 the proposed increase will be based on a percentage of the school district's

1 revenue control limit in future years, if applicable, as provided in  
2 subsection Q of this section and the following statement:

3 Any budget increase authorized by this election shall be  
4 entirely funded by this school district with revenues from other  
5 than a levy of taxes on the taxable property within the school  
6 district for the year for which adopted and for \_\_\_\_\_ subsequent  
7 years and shall not be realized from monies furnished by the  
8 state.

9 K. The maximum budget increase that may be requested and authorized as  
10 provided in subsection I or J of this section, or a combination of both of  
11 these subsections, is five per cent of the revenue control limit as provided  
12 in section 15-947, subsection A for the budget year. For a unified school  
13 district, a common school district not within a high school district or a  
14 common school district within a high school district that offers instruction  
15 in high school subjects as provided in section 15-447, five per cent of the  
16 revenue control limit means five per cent of the revenue control limit  
17 attributable to the weighted student count in preschool programs for children  
18 with disabilities, kindergarten programs and grades one through eight as  
19 provided in section 15-971, subsection B.

20 L. If the election is to exceed the capital outlay revenue limit and  
21 if the proposed increase will be fully funded by a levy of taxes upon the  
22 taxable property within the school district, the ballot shall contain the  
23 words "budget increase, yes" and "budget increase, no", and the voter shall  
24 signify the voter's desired choice. An election held pursuant to this  
25 subsection shall be held on the first Tuesday after the first Monday of  
26 November. The ballot shall also contain the amount of the proposed increase  
27 of the proposed budget over the alternate budget and the following statement:

28 Any budget increase authorized by this election shall be  
29 entirely funded by a levy of taxes upon the taxable property  
30 within this school district for the year in which adopted and  
31 for \_\_\_\_\_ subsequent years, shall not be realized from monies  
32 furnished by the state and shall not be subject to the  
33 limitation on taxes specified in article IX, section 18,  
34 Constitution of Arizona. Based on an estimate of assessed  
35 valuation used for secondary property tax purposes, the proposed  
36 increase in the school district's budget over that allowed by  
37 law would result in an estimated increase in the school  
38 district's tax rate of \_\_\_\_\_ dollar per one hundred  
39 dollars of assessed valuation used for secondary property tax  
40 purposes and is in addition to the school district's tax rate  
41 which will be levied to fund the school district's capital  
42 outlay revenue limit allowed by law.

43 M. If the election is to exceed the capital outlay revenue limit and  
44 if the proposed increase will be fully funded by revenues from other than a  
45 levy of taxes upon the taxable property within the school district, the

1 ballot shall contain the words "budget increase, yes" and "budget increase,  
2 no", and the voter shall signify the voter's desired choice. An election  
3 held pursuant to this subsection shall be held on the first Tuesday after the  
4 first Monday of November. The ballot shall also contain the amount of the  
5 proposed increase of the proposed budget over the alternate budget and the  
6 following statement:

7           Any budget increase authorized by this election shall be  
8           entirely funded by this school district with revenues from other  
9           than a levy of taxes on the taxable property within the school  
10          district for the year in which adopted and for \_\_\_\_\_ subsequent  
11          years and shall not be realized from monies furnished by the  
12          state.

13          N. If the election is to exceed a combination of the revenue control  
14          limit as provided in subsection E or F of this section, the revenue control  
15          limit as provided in subsection I or J of this section or the capital outlay  
16          revenue limit as provided in subsection L or M of this section, the ballot  
17          shall be prepared so that the voters may vote on each proposed increase  
18          separately and shall contain statements required in the same manner as if  
19          each proposed increase were submitted separately.

20          O. If the election provides for a levy of taxes on the taxable  
21          property within the school district, at least thirty days prior to the  
22          election, the department of revenue shall provide the school district  
23          governing board and the county school superintendent with an estimate of the  
24          school district's assessed valuation used for secondary property tax purposes  
25          for the ensuing fiscal year. The governing board and the county school  
26          superintendent shall use this estimate to translate the amount of the  
27          proposed dollar increase in the budget of the school district over that  
28          allowed by law into a tax rate figure.

29          P. If the voters in a school district vote to adopt a budget in excess  
30          of the revenue control limit as provided in subsection E or F of this  
31          section, any additional increase shall be included in the aggregate budget  
32          limit for each of the years authorized. Any additional increase shall be  
33          excluded from the determination of equalization assistance. The school  
34          district governing board may, however, levy on the assessed valuation used  
35          for secondary property tax purposes of the property in the school district  
36          the additional increase if adopted under subsection E of this section for the  
37          period of one year, two years or five through seven years as authorized. If  
38          an additional increase is approved as provided in subsection F of this  
39          section, the school district governing board may only use revenues derived  
40          from the school district's prior year's maintenance and operation fund ending  
41          cash balance to fund the additional increase. If a budget increase was  
42          previously authorized and will be in effect for the budget year or budget  
43          year and subsequent years, as provided in subsection E or F of this section,  
44          the governing board may request a new budget increase as provided in the same  
45          subsection under which the prior budget increase was adopted which shall not

1 exceed the maximum amount permitted under subsection G of this section. If  
2 the voters in the school district authorize the new budget increase amount,  
3 the existing budget increase no longer is in effect. If the voters in the  
4 school district do not authorize the budget increase amount, the existing  
5 budget increase remains in effect for the time period for which it was  
6 authorized. The maximum additional increase authorized as provided in  
7 subsection E or F of this section and the additional increase which is  
8 included in the aggregate budget limit is based on a percentage of a school  
9 district's revenue control limit in future years, if the budget increase is  
10 authorized for more than one year. If the additional increase:

11 1. Is for two years, the proposed increase in the second year is equal  
12 to the initial proposed percentage increase.

13 2. Is for five years or more, the proposed increase is equal to the  
14 initial proposed percentage increase in the following years of the proposed  
15 increase, except that in the next to last year it is two-thirds of the  
16 initial proposed percentage increase and it is one-third of the initial  
17 proposed percentage increase in the last year of the proposed increase.

18 Q. If the voters in a school district vote to adopt a budget in excess  
19 of the revenue control limit as provided in subsection I or J of this  
20 section, any additional increase shall be included in the aggregate budget  
21 limit for each of the years authorized. Any additional increase shall be  
22 excluded from the determination of equalization assistance. The school  
23 district governing board, however, may levy on the assessed valuation used  
24 for secondary property tax purposes of the property in the school district  
25 the additional increase if adopted under subsection I of this section for the  
26 period of one year, two years or five through seven years as authorized. If  
27 an additional increase is approved as provided in subsection J of this  
28 section, the increase may only be budgeted and expended if sufficient monies  
29 are available in the maintenance and operation fund of the school district.  
30 If a budget increase was previously authorized and will be in effect for the  
31 budget year or budget year and subsequent years, as provided in subsection I  
32 or J of this section, the governing board may request a new budget increase  
33 as provided in the same subsection under which the prior budget increase was  
34 adopted that does not exceed the maximum amount permitted under subsection K  
35 of this section. If the voters in the school district authorize the new  
36 budget increase amount, the existing budget increase no longer is in effect.  
37 If the voters in the school district do not authorize the budget increase  
38 amount, the existing budget increase remains in effect for the time period  
39 for which it was authorized. The maximum additional increase authorized as  
40 provided in subsection I or J of this section and the additional increase  
41 that is included in the aggregate budget limit is based on a percentage of a  
42 school district's revenue control limit in future years, if the budget  
43 increase is authorized for more than one year. If the additional increase:

44 1. Is for two years, the proposed increase in the second year is equal  
45 to the initial proposed percentage increase.

1           2. Is for five years or more, the proposed increase is equal to the  
2 initial proposed percentage increase in the following years of the proposed  
3 increase, except that in the next to last year it is two-thirds of the  
4 initial proposed percentage increase and it is one-third of the initial  
5 proposed percentage increase in the last year of the proposed increase.

6           R. If the voters in a school district vote to adopt a budget in excess  
7 of the capital outlay revenue limit as provided in subsection L of this  
8 section, any additional increase shall be included in the aggregate budget  
9 limit for each of the years authorized. The additional increase shall be  
10 excluded from the determination of equalization assistance. The school  
11 district governing board may, however, levy on the assessed valuation used  
12 for secondary property tax purposes of the property in the school district  
13 the additional increase for the period authorized but not to exceed ten  
14 years. For overrides approved by a vote of the qualified electors of the  
15 school district at an election held from and after October 31, 1998, the  
16 period of the additional increase prescribed in this subsection shall not  
17 exceed seven years for any capital override election.

18           S. If the voters in a school district vote to adopt a budget in excess  
19 of the capital outlay revenue limit as provided in subsection M of this  
20 section, any additional increase shall be included in the aggregate budget  
21 limit for each of the years authorized. The additional increase shall be  
22 excluded from the determination of equalization assistance. The school  
23 district governing board may only use revenues derived from the school  
24 district's prior year's maintenance and operation fund ending cash balance  
25 and capital outlay fund ending cash balance to fund the additional increase  
26 for the period authorized but not to exceed ten years. For overrides  
27 approved by a vote of the qualified electors of the school district at an  
28 election held from and after October 31, 1998, the period of the additional  
29 increase prescribed in this subsection shall not exceed seven years for any  
30 capital override election.

31           T. In addition to subsections P and S of this section, from the  
32 maintenance and operation fund and capital outlay fund ending cash balances,  
33 the school district governing board shall first use any available revenues to  
34 reduce its primary tax rate to zero and shall use any remaining revenues to  
35 fund the additional increase authorized as provided in subsections F and M of  
36 this section.

37           U. If the voters in a school district disapprove the proposed budget,  
38 the alternate budget which, except for any budget increase authorized by a  
39 prior election, does not include an increase in the budget in excess of the  
40 amount provided in section 15-905 shall be adopted by the governing board as  
41 provided in section 15-905.

42           V. The governing board may request that any override election be  
43 cancelled if any change in chapter 9 of this title changes the amount of the  
44 aggregate budget limit as provided in section 15-905. The request to cancel

1 the override election shall be made to the county school superintendent at  
2 least ten days prior to the date of the scheduled override election.

3 W. For any election conducted pursuant to subsection L or M of this  
4 section:

5 1. The ballot shall include the following statement in addition to any  
6 other statement required by this section:

7 The capital improvements that are proposed to be funded  
8 through this override election are to exceed the state standards  
9 and are in addition to monies provided by the state.

10 \_\_\_\_\_ school district is proposing to increase its  
11 budget by \$\_\_\_\_\_ to fund capital improvements over and  
12 above those funded by the state. Under the students first  
13 capital funding system, \_\_\_\_\_ school district is entitled to  
14 state monies for building renewal, new construction and  
15 renovation of school buildings in accordance with state law.

16 2. The ballot shall contain the words "budget increase, yes" and  
17 "budget increase, no", and the voter shall signify the voter's desired  
18 choice.

19 3. At least eighty-five days before the election, the school district  
20 shall submit proposed ballot language to the director of the Arizona  
21 legislative council. The director of the Arizona legislative council shall  
22 review the proposed ballot language to determine whether the proposed ballot  
23 language complies with this section. If the director of the Arizona  
24 legislative council determines that the proposed ballot language does not  
25 comply with this section, the director, within ten calendar days of the  
26 receipt of the proposed ballot language, shall notify the school district of  
27 the director's objections and the school district shall resubmit revised  
28 ballot language to the director for approval.

29 X. If the voters approve the budget increase pursuant to subsection L  
30 or M of this section, the school district shall not use the override proceeds  
31 for any purposes other than the proposed capital improvements listed in the  
32 publicity pamphlet, except that up to ten per cent of the override proceeds  
33 may be used for general capital expenses, including cost overruns of proposed  
34 capital improvements.

35 Y. Each school district that currently increases its budget pursuant  
36 to subsection L or M of this section is required to hold a public meeting  
37 each year between September 1 and October 31 at which an update of the  
38 progress of capital improvements financed through the override is discussed  
39 and at which the public is permitted an opportunity to comment. At a  
40 minimum, the update shall include a comparison of the current status and the  
41 original projections on the construction of capital improvements, the costs  
42 of capital improvements and the costs of capital improvements in progress or  
43 completed since the prior meeting and the future capital plans of the school  
44 district. The school district shall include in the public meeting a

1 discussion of the school district's use of state capital aid and  
2 voter-approved bonding in funding capital improvements, if any.

3 Z. If a budget in excess of the capital outlay revenue limit was  
4 previously adopted by the voters in a school district and will be in effect  
5 for the budget year or budget year and subsequent years, as provided in  
6 subsection L or M of this section, the governing board may request an  
7 additional budget in excess of the capital outlay revenue limit. If the  
8 voters in a school district authorize the additional budget in excess of the  
9 capital outlay revenue limit, the existing capital outlay revenue limit  
10 budget increase remains in effect.

11 Sec. 5. Section 15-491, Arizona Revised Statutes, is amended to read:  
12 15-491. Elections on school property; exceptions

13 A. The governing board of a school district may, and upon petition of  
14 fifteen per cent of the school electors as shown by the poll list at the last  
15 preceding annual school election shall, call an election for the following  
16 purposes:

17 1. To locate or change the location of school buildings.

18 2. To purchase or sell school sites or buildings or sell school sites  
19 pursuant to section 15-342 or to build school buildings, but the  
20 authorization by vote of the school district shall not necessarily specify  
21 the site to be purchased.

22 3. To decide whether the bonds of the school district shall be issued  
23 and sold for the purpose of raising money for purchasing or leasing school  
24 lots, for building or renovating school buildings, for improving school  
25 grounds, for purchasing pupil transportation vehicles or for liquidating any  
26 indebtedness already incurred for such purposes. Except as provided in  
27 section 15-1021, subsection H, the proceeds of class B bonds or impact aid  
28 revenue bonds shall not be used for soft capital purposes except for pupil  
29 transportation vehicles. A school district shall not issue class B bonds  
30 until the school district has obligated in contract the entire proceeds of  
31 any class A bonds issued by the school district. The total amount of class A  
32 and class B bonds issued by a school district shall not exceed the debt  
33 limitations prescribed in article IX, sections 8 and 8.1, Constitution of  
34 Arizona.

35 4. To lease for five or more years, as lessor or as lessee, school  
36 buildings or grounds. Approval by a majority of the school district electors  
37 voting authorizes the governing board to negotiate for and enter into a  
38 lease. The ballot shall list the school buildings or grounds for which a  
39 lease is sought. If the governing board does not enter into a lease of five  
40 or more years of the school buildings or grounds listed on the ballot within  
41 five years of the date of the election and the board continues to seek such a  
42 lease, the governing board shall call a special election to reauthorize the  
43 board to negotiate for and to enter into a lease of five or more years.

44 B. No petition shall be required for the holding of the first election  
45 to be held in a joint common school district for any of the purposes



1 specified in subsection A of this section. The notice of election required  
2 by section 15-492 shall be published in each of the counties which comprise  
3 the joint common school district. The certification of election results  
4 required by section 15-493 shall be made to the board of supervisors of the  
5 jurisdictional county.

6 C. When the election is called to determine whether or not bonds of  
7 the school district shall be issued and sold for the purposes enumerated in  
8 the call for the election, the question shall be submitted to the vote of the  
9 qualified electors of the school district as defined in section 15-401 and  
10 subject to the provisions of section 15-402.

11 D. The governing board shall order the election to be held in the  
12 manner prescribed in title 35, chapter 3, article 3. If a petition for an  
13 election has been filed with the governing board as provided in subsection A  
14 of this section, the board shall act upon the petition within sixty days by  
15 ordering the election to be held as provided in this subsection. If a school  
16 district bond election is scheduled for the same date a school district will  
17 hold an override election, the governing body shall deliver a copy of the  
18 notice of election and ballot to the county school superintendent who shall  
19 include the notice of election and ballot with the information report and  
20 ballot prepared for the override election. Mailing of the information  
21 required for both the override and bond elections shall constitute compliance  
22 with the notice provisions of this section.

23 E. The elections to be held pursuant to this section shall only be  
24 held on dates prescribed by section 16-204, except that elections held  
25 pursuant to this section to decide whether class B bonds shall be issued  
26 shall only be held on the first Tuesday after the first Monday of November.

27 F. Subsection A, paragraph 2 of this section does not apply to the  
28 sale of school property if the market value of the school property is less  
29 than fifty thousand dollars.

30 G. Bond counsel fees, financial advisory fees, printing costs and  
31 paying agent and registrar fees for bonds issued pursuant to an election  
32 under this section shall be paid from either the amount authorized by the  
33 qualified electors of the school district or current operating funds. Bond  
34 election expenses shall be paid from current operating funds only.

35 H. For any election conducted to decide whether class B bonds will be  
36 issued pursuant to this section:

37 1. Except as provided in paragraph 2 of this subsection, the ballot  
38 shall include the following statement:

39 The capital improvements that are proposed to be funded  
40 through this bond issuance are to exceed the state standards and  
41 are in addition to monies provided by the state.

42 \_\_\_\_\_ school district is proposing to issue class B  
43 general obligation bonds totaling \$\_\_\_\_\_ to fund capital  
44 improvements over and above those funded by the state. Under  
45 the students first capital funding system, \_\_\_\_\_ school

1 district is entitled to state monies for building renewal, new  
2 construction and renovation of school buildings in accordance  
3 with state law.

4 2. For a school district that is a joint technological education  
5 district, the ballot shall include the following statement:

6 \_\_\_\_\_, a joint technological education district, is  
7 proposing to issue class B general obligation bonds totaling  
8 \$\_\_\_\_\_ to fund capital improvements at the main campus of  
9 the joint technological education district.

10 3. The ballot shall contain the words "bond approval, yes" and "bond  
11 approval, no", and the voter shall signify the voter's desired choice.

12 4. The ballot shall also contain the phrase "the issuance of these  
13 bonds will result in an annual levy of property taxes sufficient to pay the  
14 debt on the bonds".

15 5. At least eighty-five days before the election, the school district  
16 shall submit proposed ballot language to the director of the Arizona  
17 legislative council. The director of the Arizona legislative council shall  
18 review the proposed ballot language to determine whether the proposed ballot  
19 language complies with this section. If the director of the Arizona  
20 legislative council determines that the proposed ballot language does not  
21 comply with this section, the director, within ten calendar days of the  
22 receipt of the proposed ballot language, shall notify the school district of  
23 the director's objections and the school district shall resubmit revised  
24 ballot language to the director for approval.

25 6. No later than ten days before a class B bond election conducted  
26 pursuant to this section, the school district shall mail A PUBLICITY PAMPHLET  
27 to each HOUSEHOLD IN THE SCHOOL DISTRICT IN WHICH qualified ~~elector in the~~  
28 ~~school district a publicity pamphlet~~ ELECTORS RESIDE. The publicity pamphlet  
29 shall contain, at a minimum, the following information:

30 (a) An executive summary of the school district's most recent capital  
31 plan submitted to the school facilities board.

32 (b) A complete list of each proposed capital improvement that will be  
33 funded with the proceeds of the bonds and a description of the proposed cost  
34 of each improvement, including a separate aggregation of capital improvements  
35 for administrative purposes as defined by the school facilities board.

36 (c) The tax rate associated with each of the proposed capital  
37 improvements and the estimated cost of each capital improvement for the owner  
38 of a single family home that is valued at one hundred thousand dollars.

39 I. For any election conducted to decide whether impact aid revenue  
40 bonds shall be issued pursuant to this section:

41 1. The ballot shall include the following statement:

42 The capital improvements that are proposed to be funded  
43 through this bond issuance are to exceed the state standards and  
44 are in addition to monies provided by the state.

\_\_\_\_\_ school district is proposing to issue impact aid revenue bonds totaling \$\_\_\_\_\_ to fund capital improvements over and above those funded by the state. Under the students first capital funding system, \_\_\_\_\_ school district is entitled to state monies for building renewal, new construction and renovation of school buildings in accordance with state law.

2. The ballot shall contain the words "bond approval, yes" and "bond approval, no", and the voter shall signify the voter's desired choice.

3. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the legislative council. The director of the legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.

4. No later than ten days before an impact aid revenue bond election conducted pursuant to this section, the school district shall mail A PUBLICITY PAMPHLET to each HOUSEHOLD IN THE SCHOOL DISTRICT IN WHICH qualified ~~elector in the school district a publicity pamphlet~~ ELECTORS RESIDE. The publicity pamphlet shall contain, at a minimum, the following information:

(a) An executive summary of the school district's most recent capital plan submitted to the school facilities board.

(b) A complete list of each proposed capital improvement that will be funded with the proceeds of the bonds and a description of the proposed cost of each improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.

(c) A statement that impact aid revenue bonds will be fully funded by aid that the school district receives from the federal government and do not require a levy of taxes in the district.

(d) A statement that if the bonds are approved the first priority for the impact aid will be to pay the debt service for the bonds and that other uses of the monies are prohibited until the debt service obligation is met.

(e) A statement that if the impact aid revenue bonds are approved, the school district shall not issue or sell class B bonds while the district has existing indebtedness from impact aid revenue bonds, except for bonds issued to refund any bonds issued by the board.

J. If the voters approve the issuance of school district class B bonds or impact aid revenue bonds, the school district shall not use the bond proceeds for any purposes other than the proposed capital improvements listed in the publicity pamphlet, except that up to ten per cent of the bond

1 proceeds may be used for general capital expenses, including cost overruns of  
2 proposed capital improvements.

3 K. Each school district that issues bonds under this section is  
4 required to hold a public meeting each year between September 1 and October  
5 31, until the bond proceeds are spent, at which an update of the progress of  
6 capital improvements financed through bonding is discussed and at which the  
7 public is permitted an opportunity to comment. At a minimum, the update  
8 shall include a comparison of the current status and the original projections  
9 on the construction of capital improvements, the costs of capital  
10 improvements and the costs of capital improvements in progress or completed  
11 since the prior meeting and the future capital bonding plans of the school  
12 district. The school district shall include in the public meeting a  
13 discussion of the school district's use of state capital aid and  
14 voter-approved capital overrides in funding capital improvements, if any.

15 Sec. 6. Section 15-825.02, Arizona Revised Statutes, is amended to  
16 read:

17 15-825.02. Certificates of educational convenience; cap;  
18 unorganized territory

19 A. If the annual number of certificates of educational convenience or  
20 students attending through open enrollment into an adjacent school district  
21 from a single unorganized territory exceeds one hundred fifty, the  
22 superintendent of public instruction shall notify the county school  
23 superintendent and the county school superintendent shall notify the  
24 residents of the unorganized territory that ~~the residents' children no longer~~  
25 ~~qualify for certificates of educational convenience or open enrollment and~~  
26 ~~that~~ the residents are required to organize into their own school district or  
27 an adjoining unified school district.

28 B. The superintendent of public instruction shall notify the county  
29 school superintendent that the conditions prescribed in subsection A have  
30 occurred and the county school superintendent shall prepare a ballot question  
31 to be voted on by the residents of the unorganized territory at the next  
32 general election to determine whether to form a new unified school district  
33 or join an adjacent existing school district.

34 C. Students attending an adjacent existing school district through  
35 open enrollment or through certificates of educational convenience that were  
36 approved before notification by the superintendent of public instruction  
37 pursuant to subsection B may continue enrollment in that existing school  
38 district until the unorganized territory becomes or joins a school  
39 district. ANY STUDENTS ATTENDING AN ADJACENT EXISTING SCHOOL DISTRICT  
40 THROUGH OPEN ENROLLMENT OR THROUGH CERTIFICATES OF EDUCATIONAL CONVENIENCE  
41 SHALL BE ALLOWED TO CONTINUE ENROLLMENT IN THAT EXISTING SCHOOL DISTRICT EVEN  
42 IF THE UNORGANIZED TERRITORY VOTES TO FORM A NEW UNIFIED SCHOOL DISTRICT OR  
43 JOINS WITH A DIFFERENT ADJACENT SCHOOL DISTRICT. ANY SIBLING OF A STUDENT  
44 WHO CONTINUES TO ATTEND AN ADJACENT EXISTING SCHOOL DISTRICT THROUGH OPEN

1 ENROLLMENT OR A CERTIFICATE OF EDUCATIONAL CONVENIENCE SHALL ALSO BE ALLOWED  
2 TO ATTEND THE SAME ADJACENT EXISTING SCHOOL DISTRICT.

3 D. If the residents of the unorganized territory vote to form a new  
4 unified school district:

5 1. Notwithstanding any other law, the newly formed unified school  
6 district is not entitled to receive any monies for elementary school  
7 facilities from the school facilities board until the district's student  
8 count in kindergarten programs and grades one through eight exceeds five  
9 hundred ninety-nine.

10 2. Notwithstanding any other law, the newly formed unified school  
11 district is not entitled to receive any monies for high school facilities  
12 from the school facilities board until the district's student count in grades  
13 nine through twelve exceeds five hundred ninety-nine.

14 3. Until the newly formed unified school district's student count in  
15 kindergarten programs and grades one through eight reaches six hundred, each  
16 pupil in kindergarten programs and grades one through eight who resides in  
17 the newly formed unified school district shall be enrolled in a school  
18 district that provides instruction in that pupil's grade and that has  
19 sufficient capacity to enroll nonresident pupils. The newly formed unified  
20 school district shall be responsible for transportation costs incurred  
21 pursuant to this paragraph.

22 4. Until the newly formed unified school district's student count in  
23 grades nine through twelve reaches six hundred, each pupil in grades nine  
24 through twelve who resides in the newly formed unified school district shall  
25 be enrolled in a school district that provides instruction in that pupil's  
26 grade and that has sufficient capacity to enroll nonresident pupils. The  
27 newly formed unified school district shall be responsible for transportation  
28 costs incurred pursuant to this paragraph.

29 Sec. 7. Section 35-454, Arizona Revised Statutes, is amended to read:

30 35-454. Informational pamphlet for election; review; election;  
31 return; canvass of vote; certificate of election

32 A. The governing body or board of the political subdivision shall:

33 1. Not less than ten days and not more than fifty days before the bond  
34 election mail a copy of an informational pamphlet to ~~the residence of~~ each  
35 HOUSEHOLD WITHIN THE POLITICAL SUBDIVISION IN WHICH A registered voter ~~within~~  
36 ~~the political subdivision~~ RESIDES. The pamphlet shall contain information on  
37 the:

38 (a) Amount of the bond authorization.

39 (b) Maximum interest rate of the bonds.

40 (c) Estimated debt retirement schedule for the current amount of bonds  
41 outstanding, showing both principal and interest payments, the current  
42 secondary assessed valuation as reported by the department of revenue or the  
43 county assessor and the current adopted and estimated tax rates. In this  
44 paragraph, "secondary assessed valuation" may include the values used to

determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

(d) Estimated debt retirement schedule for the proposed bond authorization, showing both the estimated principal and interest payments and the estimated average annual tax rate for the proposed bond authorization. In preparing this information and the information prescribed by subdivision (c), the projected total annual increase in secondary assessed valuation for any future year shall not exceed:

(i) For the first five years of the estimated debt retirement schedule, the average of the annual percentage growth for the previous ten years in the secondary assessed valuation of the political subdivision.

(ii) For the remaining years of the estimated debt retirement schedule, twenty per cent of the average of the annual percentage growth for the previous ten years in the secondary assessed valuation of the political subdivision.

(e) Source of repayment.

(f) Estimated issuance costs.

(g) Estimated tax impact on the owner-occupied residential property, agricultural property and commercial and industrial property for the current year in the political subdivision. The tax impact shall be shown for property with a full cash value of one hundred thousand dollars and for property with an average assessed valuation for that class, as determined by the governing body or board. The tax impact shall show the projected average annual cost of the proposed bond authorization, including principal and interest, over the life of the proposed bond authorization. The information on estimated tax impact shall be set forth in substantially the following form:

Estimated average annual tax rate per \$100 of secondary assessed valuation: \$\_\_\_\_\_

[The following table for each specified class of property]

_____ property		
(assessed at ____%)		
<u>Assessor's full</u>	<u>Secondary assessed</u>	<u>Estimated annual cost</u>
<u>Cash value</u>	<u>Value</u>	
_____	_____ (*)	\$ _____
\$100,000	_____	\$ _____
(Other values		
may be included)	_____	\$ _____

(\*) Estimated average value

(h) In bold faced type, estimated total cost of the proposed bond authorization, including principal and interest.

(i) Current outstanding general obligation debt and constitutional debt limitation.

(j) Purpose for which the bonds are to be issued.

(k) Polling location for the addressee.

1           (1) Hours during the day when the polls will be open.

2           (m) Arguments for and against the authorization of one or more of the  
3 bond propositions.

4           2. Submit a copy of the informational pamphlet to the department of  
5 revenue within thirty days after the bond election. The department of  
6 revenue shall maintain copies of the pamphlets.

7           B. The failure of any one or more electors to receive the  
8 informational pamphlet shall not be grounds to invalidate the election. The  
9 election shall conform with the general election laws of the state. The  
10 return of the election held in a county shall be made to the board of  
11 supervisors and, in any other case, to the governing body or board of the  
12 municipal corporation or district within twelve days after the election.

13           C. For any proposed general obligation bond authorization where the  
14 principal and interest will be paid by a levy of property taxes, the ballot  
15 shall contain the phrase "the issuance of these bonds will result in an  
16 annual levy of property taxes sufficient to pay the debt on the bonds".

17           D. If the governing body intends to use revenues other than property  
18 taxes to pay the debt on proposed general obligation bonds, the ballot shall  
19 contain the phrase "the issuance of these bonds will result in an annual levy  
20 of property taxes sufficient to pay the debt on the bonds, unless the  
21 governing body provides for payment from other sources".

22           E. The board of supervisors, governing body or governing board shall  
23 hold a special meeting within twenty days after the election to canvass the  
24 votes cast and certify the result. The certificate of the result shall be  
25 prima facie evidence of full performance of all conditions and requirements  
26 precedent to holding the election.

27           F. The governing board or body shall file and record in the office of  
28 the county recorder a certificate disclosing the purpose of the election, the  
29 total number of votes cast and the total number of votes for and against  
30 creating the indebtedness, and stating whether or not the indebtedness is  
31 ordered. Upon filing and recording the certificate, the governing board or  
32 body shall carry out the purpose of the election.

33           G. Variations between the estimates required by subsection A and the  
34 actual debt retirement schedules, issuance costs, annual and total costs and  
35 tax rates shall not invalidate either the election or the bonds.

36           Sec. 8. Emergency

37           This act is an emergency measure that is necessary to preserve the  
38 public peace, health or safety and is operative immediately as provided by  
39 law.